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IDAHO PUBLIC
UTILITIES COMMISSION

ANNUAL REPORT

OF

CAPITOL WATER CORPORATION

NAME

2626 ELDORADO BOISE, IDAHO 83704

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2000



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IDAHO PUBLIC
UTILITIES COMMISSION

presnell
GAGE ACCOUNTING AND CONSULTING

415 South 4th Street
Post Office Box 1693
Boise, Idaho 83701
(208) 345-2350
Fax (208) 344-3019

May 30, 2001

Bob Smith
Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Dear Bob:

In regards to our telephone conversation regarding Capitol Water Corporation's Annual Report for December 31, 2000, we have a couple changes. They are:

<u>Income Account & Description</u>	<u>On Report</u>	<u>Correct Amount</u>
#464 Other Water Sales Revenue	\$ 594	\$3,302
#419 Interest & Dividend Income	2,708	-0-
	<u>\$3,302</u>	<u>\$3,302</u>

<u>Expense Account & Description</u>	<u>On Report</u>	<u>Correct Amount</u>
#409.11 State Taxes	\$ 2,430	\$ 2,423
#601.7 Labor-Customer Accounts	-0-	28,712
#675 Miscellaneous Expense	38,635	9,925
	<u>\$41,065</u>	<u>\$41,060</u>

We had a few other accounts that changed from rounding by \$1. The net income changed only slightly by \$12. We just needed to reclassify a couple items. Please let me know if there is anything else you need. Thank you for your assistance.

Sincerely,

Susan R. Bloom
Accounting Assistant



Board of Directors
Capitol Water Corporation
Boise, Idaho

We have compiled the balance sheet of CAPITOL WATER CORPORATION, as of December 31, 2000, and the related statements of income and retained earnings for the year then ended in the accompanying prescribed form of the Idaho Public Utilities Commission, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary schedules of revenue and expense detail, plant in service detail, accumulated depreciation detail, capital stock detail, detail of long-term debt and system engineering data.

Our compilation is limited to presenting in the form prescribed by the Idaho Public Utilities Commission information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, we do not express an opinion or any other form of assurance on them.

These financial statements and supplementary information are presented in accordance with the requirements of the Idaho Public Utilities Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Presnell Gage

Boise, Idaho
April 9, 2001

ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2000

COMPANY INFORMATION

- 1 Give full name of utility: Capitol Water Corporation
- 2 Date of Organization: April 7, 1959
- 3 Organized under the laws of the state of: Idaho
- 4 Address of Principal Office (number & street) 2626 Eldorado
- 5 P.O. Box (if applicable) _____
- 6 City Boise
- 7 State Idaho
- 8 Zip Code 83704
- 9 Organization (proprietor, partnership, Corp.) Corporation
- 10 Towns, Counties served Boise
Ada County
- 11 Are there any affiliated Companies? No

If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

12 Contact Information:	Name	Phone No.
President (Owner)	H. Robert Price	375-0931
Vice President	Margaret Price	801-581-0331
Secretary	Bonnie Price	375-0931
General Manager	H. Robert Price	375-0931
Complaints or Billing	Bonnie Price	375-0931
Engineering	H. Robert Price	375-0931
Emergency Service	H. Robert Price	375-0931
Accounting	Presnell Gage	345-2350

- 13 Were any water systems acquired during the year or any additions/deletions made to the service area during the year? No

If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

- 14 Where are the Company's books and records kept?
- Street Address 2626 Eldorado
- City Boise
- State Idaho
- Zip 83704

NAME: Capitol Water Corporation

COMPANY INFORMATION (Cont.)

For the Year Ended: December 31, 2000

- 15 Is the system operated or maintained under a service contract? No
- 16 **If yes:** With whom is the contract? _____
When does the contract expire? _____
What services and rates are included? _____
- 17 Is water purchased for resale through the system? No
- 18 **If yes:** Name of Organization _____
Name of owner or operator _____
Mailing Address _____
City _____
State _____
Zip _____
- | | Gallons/CCF | \$ Amount |
|-----------------|-------------|-----------|
| Water Purchased | _____ | _____ |
- 19 Has any system(s) been disapproved by the Idaho Division of Environmental Quality? Yes
If yes, attach full explanation
- 20 Has the Idaho Division of Environmental Quality recommended any improvements? No
If yes, attach full explanation
- 21 Number of Complaints received during year concerning:
Quality of Service - *Requests for Rust Remover* 130
High Bills 0
Disconnection 0
- 22 No. of Customers involuntarily disconnected 8
- 23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? May 1, 2000
Attach a Copy of the Summary
- 24 Did significant additions or retirements from the Plant Accounts occur during the year? No
If yes, attach full explanation and an updated system map

NAME:

Capitol Water Corporation**REVENUE & EXPENSE DETAIL**For the Year Ended: December 31, 2000

ACCT #	DESCRIPTION		
400 REVENUES			
1	460	Unmetered Water Revenue	\$ 483,662
2	461.1	Metered Sales - Residential	
3	461.2	Metered Sales - Commercial, Industrial	74,157
4	462	Fire Protection Revenue	4,465
5	464	Other Water Sales Revenue	594
6	465	Irrigation Sales Revenue	
7	466	Sales for Resale	
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	\$ 562,878
9	* DEQ Fees Billed separately to customers		9,968 Booked to Acct # 165.0
10	** Hookup or Connection Fees Collected		Booked to Acct #
11	***Commission Approved Surcharges Collected		110,310 Booked to Acct # 460.4
401 OPERATING EXPENSES			
12	601.1-6	Labor - Operation & Maintenance	34,423
13	601.7	Labor - Customer Accounts	0
14	601.8	Labor - Administrative & General	31,662
15	603	Salaries, Officers & Directors	45,000
16	604	Employee Pensions & Benefits	22,586
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	40,929
19	618	Chemicals	6,321
20	620.1-6	Materials & Supplies - Operation & Maint.	10,585
21	620.7-8	Materials & Supplies - Administrative & General	14,231
22	631-34	Contract Services- Professional	9,962
23	635	Contract Services - Water Testing	
24	636	Contract Services - Other	1,473
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	10,572
27	656-59	Insurance	12,299
28	660	Advertising	
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	37
32	675	Miscellaneous	38,635
33		Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	\$ 278,715

NAME: Capitol Water Corporation

INCOME STATEMENT

For the Year Ended: December 31, 2000

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		\$ 562,878
2	Operating Expenses (From Page 3, line 33)	\$ 278,715	
3	403 Depreciation Expense	89,845	
4	406 Amortization, Utility Plant Acquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	1,549	
7	408.11 Property Taxes	29,883	
8	408.12 Payroll Taxes	12,216	
9A	408.13 Other Taxes (list) DEQ Fees		
9B	Irrigation	107	
9C	Vehicles	212	
9D			
10	409.10 Federal Income Taxes	12,396	
11	409.11 State Income Taxes	2,430	
12	410.10 Provision for Deferred Income Tax - Federal		
13	410.11 Provision for Deferred Income Tax - State		
14	411 Provision for Deferred Utility Income Tax Credits		
15	412 Investment Tax Credits- Utility		
16	Total Expenses from operations before interest (add lines 2-15)	\$ 427,353	
17	413 Income From Utility Plant Leased to Others		
18	414 Gains (Losses) From Disposition of Utility Plant		
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		\$ 135,525
20	415 Revenues, Merchandizing Jobbing and Contract Work		
21	416 Expenses, Merchandizing, Jobbing & Contracts		
22	419 Interest & Dividend Income	2,708	
23	420 Allowance for Funds used During Construction		
24	421 Miscellaneous Non-Utility Income		
25	426 Miscellaneous Non-Utility Expense		
26	408.20 Other Taxes, Non-Utility Operations		
27	409-20 Income Taxes, Non-Utility Operations		
28	Net Non-Utility Income (Add lines 20,22,23 & 24 less lines 21,25,26, & 27)		2,708
29	Gross Income (add lines 19 & 28)		\$ 138,233
30	427.3 Interest Exp. on Long-Term Debt		40,811
31	427.5 Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		\$ 97,422

NAME Capitol Water Corporation

ACCOUNT 101 PLANT IN SERVICE DETAIL

For the Year Ended: December 31, 2000

SUB ACCT	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1	301 Organization	\$ 3,584			\$ 3,584
2	302 Franchises and Consents	38,469			38,469
3	303 Land & Land Rights	80,698	175		80,873
4	304 Structures and Improvements	112,068	340		112,408
5	305 Reservoirs & Standpipes	2,914	614		3,528
6	306 Lake, River & Other Intakes				
7	307 Wells	504,484	40,435		544,919
8	308 Infiltration Galleries & Tunnels				
9	309 Supply Mains				
10	310 Power Generation Equipment				
11	311 Power Pumping Equipment	154,970			154,970
12	320 Purification Systems	21,380			21,380
13	330 Distribution Reservoirs & Standpipes				
14	331 Trans. & Distrib. Mains & Accessorie	1,121,565	4,879		1,126,444
15	333 Services	477,927	29,202		507,129
16	334 Meters and Meter Installations	90,119	127		90,246
17	335 Hydrants				
18	336 Backflow Prevention Devices				
19	339 Other Plant & Misc. Equipment				
20	340 Office Furniture and Equipment	31,707	1,027	16,138	16,596
21	341 Transportation Equipment	90,790	40,197	39,645	91,342
22	342 Stores Equipment				
23	343 Tools, Shop and Garage Equipment	9,085	439		9,524
24	344 Laboratory Equipment				
25	345 Power Operated Equipment				
26	346 Communications Equipment				
27	347 Miscellaneous Equipment				
28	348 Other Tangible Property	107			107
29	TOTAL PLANT IN SERVICE	\$ 2,739,867	\$ 117,435	\$ 55,783	\$ 2,801,519

(Add lines 1 - 28)

Enter beginning & end of year totals on Pg 7, Line 1

NAME

Capitol Water Corporation**ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL**For the Year Ended: December 31, 2000

SUB ACCT	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		\$ 65,455	\$ 68,123	\$ 2,668
2 305	Reservoirs & Standpipes		2,477	2,511	34
3 306	Lake, River & Other Intakes				
4 307	Wells		125,533	143,744	18,211
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains				
7 310	Power Generation Equipment				
8 311	Power Pumping Equipment		78,874	82,702	3,828
9 320	Purification Systems		19,355	19,451	96
10 330	Distribution Reservoirs & Standpipes				
11 331	Trans. & Distrib. Mains & Accessories		628,668	667,210	38,542
12 333	Services		202,951	217,839	14,888
13 334	Meters and Meter Installations		35,931	38,888	2,957
14 335	Hydrants				
15 336	Backflow Prevention Devices				
16 339	Other Plant & Misc. Equipment				
17 340	Office Furniture and Equipment		24,070	9,683	(14,387)
18 341	Transportation Equipment		68,094	38,953	(29,141)
19 342	Stores Equipment				
20 343	Tools, Shop and Garage Equipment		5,976	6,825	849
21 344	Laboratory Equipment				
22 345	Power Operated Equipment				
23 346	Communications Equipment				
24 347	Miscellaneous Equipment				
25 348	Other Tangible Property		47	52	5
26	TOTALS (Add Lines 1 - 25)		\$ 1,257,431	\$ 1,295,981	\$ 38,550

Enter beginning & end of year totals on Pg 7, Line 7

NAME: Capitol Water Corporation

BALANCE SHEET

For the Year Ended: December 31, 2000

		ASSETS		
ACCT	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	101 Utility Plant in Service (From Pg 5, Line 29)	\$ 2,739,867	\$ 2,801,519	\$ 61,652
2	102 Utility Plant Leased to Others			
3	103 Plant Held for Future Use			
4	105 Construction Work in Progress			
5	114 Utility Plant Acquisition Adjustment			
6	Subtotal (Add Lines 1 - 5)	2,739,867	2,801,519	61,652
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)	1,257,431	1,295,981	38,550
8	108.2 Accum. Depr.- Utility Plant Lease to Others			
9	108.3 Accum. Depr. - Property Held for Future Use			
10	110.1 Accum. Amort. - Utility Plant in Service			
11	110.2 Accum. Amort.- Utility Plant Lease to Others			
12	115 Accumulated Amortization- Acquisition Adj.			
13	Net Utility Plant (Line 6 less lines 7 - 12)	1,482,436	1,505,538	23,102
14	123 Investment in Subsidiaries			
15	125 Other Investments			
16	Total Investments (Add lines 14 & 15)			
17	131 Cash	31,091	60,163	29,072
18	135 Short Term Investments	43,092	45,800	2,708
19	141 Accts/Notes Receivable - Customers	41,139	41,449	310
20	142 Other Receivables			
21	145 Receivables from Associated Companies			
22	151 Materials & Supplies Inventory	7,197	7,197	
23	162 Prepaid Expenses	2,392	1,566	(826)
24	173 Unbilled (Accrued) Utility Revenue			
25	143 Provision for Uncollectable Accounts			
26	Total Current (add lines 17 -24 less line 25)	124,911	156,175	31,264
27	181 Unamortized Debt Discount & Expense			
28	183 Preliminary Survey & Investigation Charges			
29	184 Deferred Rate Case Expenses			
30	186 Other Deferred Charges			
31	Total Assets (Add lines 13, 16 & 26 - 30)	\$ 1,607,347	\$ 1,661,713	\$ 54,366

NAME:

Capitol Water Corporation**BALANCE SHEET**For the Year Ended: December 31, 2000

<u>LIABILITIES & CAPITAL</u>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	201-3 Common Stock	\$ 10,000	\$ 10,000	
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts	29,200	29,200	
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	567,472	660,885	\$ 93,413
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7less line 6)	606,672	700,085	93,413
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long- Term Debt	322,203	360,805	38,602
12	231 Accounts Payable	13,085	4,334	(8,751)
13	232 Notes Payable	136,452	125,657	(10,795)
14	233 Accounts Payable - Associated Companies			
15	235 Customer Deposits (Refundable)			
16	236.11 Accrued Other Taxes Payable	37,635	38,131	496
17	236.12 Accrued Income Taxes Payable	19,909	919	(18,990)
18	236.2 Accrued Taxes - Non-Utility			
19	237-40 Accrued Debt, Interest & Dividends Payable	1,475	0	(1,475)
20	241 Misc. Current & Accrued Liabilities			
21	251 Unamortized Debt Premium			
22	252 Advances for Construction	394,840	361,193	(33,647)
23	253 Other Deferred Liabilities			
24	255.1 Accumulated Investment Tax Credits - Utility			
25	255.2 Accum. Investment Tax Credits - Non-Utility			
26	261-5 Operating Reserves			
27	271 Contributions in Aid of Construction	146,864	146,864	
28	272 Accum. Amort. of Contrib. in Aid of Const. **	(71,787)	(76,275)	(4,488)
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)	1,000,676	961,628	(39,048)
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	\$ 1,607,348	\$ 1,661,713	\$ 54,365

**** Only if Commission Approved**

NAME: Capitol Water Corporation

STATEMENT OF RETAINED EARNINGS

For the Year Ended: December 31, 2000

1	Retained Earnings Balance @ Beginning of Year	\$ 567,472
2	Amount Added from Current Year Income (From Pg 4, Line 32)	97,422
3	Other Credits to Account	_____
4	Dividends Paid or Appropriated	_____
5	Other Distributions of Retained Earnings - <i>Country Club Dues</i>	(4,009)
6	Retained Earnings Balance @ End of Year	<u>\$ 660,885</u>

CAPITAL STOCK DETAIL

		No. Shares Authorized	No. Shares Outstanding	Dividends Paid
7	Description (Class, Par Value etc.)			
	Common Stock	250	100	None

DETAIL OF LONG-TERM DEBT

	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
8	Advances for Construction	N/A	\$ 361,193	None	None
	Debentures	10%	5,000	\$500	None
	Construction	10.50%	313,655	33,351	None
	Construction Development	8.30%	120,657	4,514	None
	Automobile Loan	1.90%	2,467	103	None
	Automobile Loan	8.50%	44,683	2,343	None

NAME Capitol Water Corporation

SYSTEM ENGINEERING DATA

For the Year Ended: December 31, 2000

1 Provide an updated system map if significant changes have been made to the system during the year.

2 Water Supply:

Pump Designation or location	Rated Capacity (gPM)	Type of Treatment: (None, Chlorin Fluoride Filter etc.)	Annual Production (000's Gal.)	Water Supply Source (Well, Spring, Surface Wtr)
Well #1	450	None		Well
Well #2 (Inoperative)	450	None		Well
Well #3	400	None		Well
Well #4	2,000	None		Well
Well #5 (Abandoned per DEQ order)	250	None		Well
Well #6	1650	None		Well
Well #7	1500	None		Well

3 System Storage:

Storage Designation or Location	Total Capacity 000's Gal.	Usable Capacity 000's Gal.	Type of Reservoir (Elevated, Pressurized, Boosted)	Construction (Wood, Steel Concrete)
Well #1	1,500		Pressurized Steel	
Well #2 (Inoperative)				
Well #3	3,000		Pressurized Steel	
Well #4				
Well #5 (Abandoned per DEQ order)				
Well #6				
Well #7				

(Duplicate form and attach if necessary. Asterisk facilities added this year.)

**SYSTEM ENGINEERING DATA
(continued)**

For the Year Ended: December 31, 2000

4 Pump information for ALL system pumps, including wells and boosters.

Designation or Location & Type of Pump**	Horse Power	Rated Capacity (gpm)	Discharge Pressure (psi)	Energy Used This Year
Well #1	30	450	70	
Well #2 (Inoperative)	25	450	50	
Well #3	100	400	50	
Well #4	200	2000	60	
Well #5 (Abandoned per DEQ order)	20	250	60	
Well #6	150	1500	70	
Well #7	150	1500	75	

**** Submit pump curves unless previously provided or unavailable. Asterisk facilities added this year. Attach additional sheets if inadequate space is available on this page.**

- 5 If Wells are metered:
 What was the total amount pumped this year? _____
 What was the total amount pumped during peak month? _____
 What was the total amount pumped on the peak day? _____
- 6 If customers are metered, what was the total amount sold in peak month? _____
- 7 Was your system designed to supply fire flows? Yes
If Yes What is current system rating? Included with all city rating
- 8 How many times were meters read this year? 12
 During which Months? All months
- 9 How many additional customers could be served with no system improvements
 except a service line and meter? Unknown
 How many of those potential additions are vacant lots? Unknown
- 10 Are backbone plant additions anticipated during the coming year? Yes
If Yes, attach an explanation of projects and anticipated costs!
- 11 In what year do you anticipate that the system capacity (supply, storage or distribution)
 will have to be expanded? 2001

NAME: Capitol Water Corporation

SYSTEM ENGINEERING DATA
(continued)

For the Year Ended: December 31, 2000

FEET OF MAINS

1	Pipe Size	In Use	Installed	Abandoned	In Use
		Beginning Of Year	During Year	During Year	End of Year
	10"	600			600
	2"	7,716	50		7,766
	4"	23,740			23,740
	6"	75,554	240		75,794
	8"	38,895			38,895
	12"	2,060			2,060
	3/4"	58,793			58,793
	1"	3,021	40		3,061
	1 1/2"	260			260

CUSTOMER STATISTICS

		Number of Customers		Thousands of Gallons Sold	
		This Year	Last Year	This Year	Last Year
2	Metered:				
2A	Residential				
2B	Commercial	199	199		
2C	Industrial				
	Other				
3	Flat Rate:				
3A	Residential	2,392	2,260		
3B	Commercial				
3C	Industrial				
	Other		122		
4	Private Fire Protection:				
5	Public Fire Protection:	163	159		
6	Street Sprinkling				
7	Municipal, Other:				
8	Other Water Utilities:				
	TOTALS (Add lines 2 through	2,754	2,740		

Capitol Water Corporation
Additional Explanations
PUC Report, December 31, 2000

Company Information

19. DEQ has issued an order to abandon well #5. During 2001, we will redrill well #5.

System Engineering Data

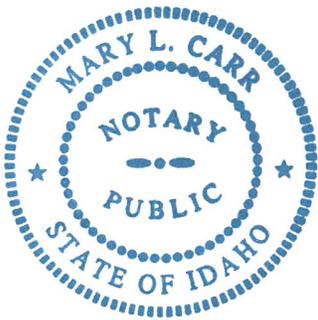
10. The anticipated costs of backbone plant additions are:
Redrill well #5 - \$262,000

CERTIFICATE

State of Idaho

County of Ada)

WE, the undersigne H. Robert Price
and Bonnie Price
of the Capital Water Corporation
utility, on our oath do severally say that the foregoing report has been prepared under our direction,
from the original books, papers and records of said utility; that we have carefully examined same, and
declare the same to be a correct statement of the business and affairs of said utility for the period
covered by the report in respect to each and every matter and thing therein set forth, to the best of our
knowledge, information and belief.



H. Robert Price
(Chief Officer)

Bonnie R. Price
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 16th day of APRIL, 2001

Mary L. Carr
NOTARY PUBLIC

My Commission Expires 11-24-2004